



USAID/Brazil Environment Program

Monitoring and Evaluation Report FY03

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M&E Report for FY03 - STRATEGIC OBJECTIVE #1 (SO1)

SO1 - Environmentally and socioeconomically sustainable alternatives for sound land use adopted beyond target areas - 512-001

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USAID/Brazil Environmental Program SO1 “Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas”

1. Summary of Key Results during FY03

The majority of the USAID/Brazil program is focused on the environment and the bulk of that program is centered on two issues of global environmental concern: forest and biodiversity loss and global climate change. Since 1990, USAID/Brazil has had an environment program which has focused its attention mostly on the Amazon. The portfolio of projects has primarily consisted of applied, biophysical research on biodiversity and the forest ecosystem dynamics, and socio-economic analysis of natural resource management decisions by communities and individuals that impact on forests and protected areas. The environment program SO calls for “environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas.”, i.e., the objective has been to improve natural resource management beyond project boundaries. This has largely been accomplished by providing information and models replicated in areas adjacent to project sites and that are being utilized in the design of other programs, enterprises, regulations and institutions. Impacts beyond target areas also are facilitated directly through capacity building and training programs.

Fiscal year 2003 is the last year of the current USAID/Brazil environmental program under this Strategic Objective 1. One of the major highlights of the program was the creation and consolidation of some Brazilian NGOs that did not exist or were very incipient when USAID first granted them with support and are now references for their regions. The four examples are Pesacre since 1990, and IESB, IPAM and FFT since 1995. IPAM was created in 1995 with the help of the Woods Hole Research Center and USAID. Over the course of these 8 years in which IPAM has received support from USAID, IPAM’s Forest and Communities Program has moved from a focus on smallholder agriculture in the municipality of Paragominas to a regional program with increasing influence throughout the Brazilian Amazon. This process is evident in the development of the community fire prevention program Bom Manejo do Fogo and in the development of Proambiente that incorporate much of what was learned through their work experience in Paragominas and later Santarém. Both their fire prevention program and the proambiente alternative credit program which seeks to compensate small producers for environmental services are being incorporated by the government and applied throughout the Amazon region. IPAM researchers who were interns at the beginning of the USAID program are now turned to by government’s highest officials for leadership and as sources of rigorous information in guiding the biggest decisions that will shape the future of the Amazon. And the potential for a common agenda among indigenous, peasant, environmental, and human rights movements has moved a few steps closer to reality.

In 1990, Pesacre was created with the support of the University of Florida and USAID. In 1995, they depended entirely on USAID funds for their work and to pay the salaries of all PESACRE’s staff of 12 people. USAID financial support was around US\$600,000 at that time. Today, PESACRE is a bigger organization with 28 people and major responsibilities and USAID’s funds (approximately US\$150,000 per year) represents only 25% of their annual budget. PESACRE’s sustainability represents a success story in USAID/Brazil’s program history together with several other organizations that were strengthened by the program and now enjoy a key role in fostering sustainable use and biodiversity conservation in the country. In Acre, Pesacre plays a major role, often requested by the government to participate in key policy committees and to respond about the demands from social movements (mainly rural workers). They also serve as technical advisors on matters related to agro-ecology.

IESB was created in 1994, before the USAID support. However, the support received by USAID since 1995 was very important for IESB’s institutional development. With USAID’s support the organization was able to consolidate a high-quality technical and scientific human capacity. Today IESB is an organization with a staff of 21 people. The support from USAID also helped IESB to develop its administrative and finance capability. Today, IESB is a reference for knowledge and technical capacity in promoting conservation of the Atlantic

Forest and sustainable development activities in Southern Bahia State. Just as an example of how IESB is promoting the conservation of the Atlantic Forest is the establishment of the newly-created NGO SEEDS Sociedade para Estudo dos Ecossistemas e Desenvolvimento Sustentável (Ecosystem Studies and Sustainable Development Society). IESB's assistant was crucial to the creation of this organization. One of the goals of this new organization is to develop a project to recover degraded areas of the region of Recôncavo Baiano, with support from National Environmental Fund. IESB will continue its efforts to assist the creation of new environmental organizations and to strengthen the ones that have been active participants in the region through a Small Grants Funds based on a recent survey conducted by IESB on the profile of the environmental NGOs within the Atlantic Forest Central Corridor region, in the Southern Bahia and Espírito Santo States.

During the past 8 years, USAID has provided vital support to the Tropical Forest Foundation and its Brazilian subsidiary Fundação Floresta Tropical (FFT). Not only did USAID's support provide a reliable source of funds, but it enabled FFT to successfully leverage financial contributions from other bilateral and multilateral donors (including ITTO, PPG-7, and The World Bank). As a result, FFT quickly grew from a small cadre of young foresters, technicians, and operators capable of implementing reduced-impact logging (RIL) practices into a recognized and respected catalyst for good forest management (FM) in the Brazilian Amazon. Respect for the efforts of FFT became ever more tangible during the period; for example, key government agencies incorporated FFT's suggestions in the new forestry regulations. Moreover, during this period, FFT's training efforts evolved from a focus on implementation of RIL to a broad array of practical courses targeting all levels of practitioners and stakeholders from various parts of the forest sector. Finally, with USAID's support, FFT became a center of reference for capacity building and FM-RIL training for Brazilian participants as well as participants from other Amazon basin countries and Africa. In the last year, FFT even conducted courses outside of Brazil (Peru).

In addition, another important highlight of the program is the incredible number of people trained under this program. The training efforts of this program have produced a substantial number of human capacity in Brazil who now occupies key decision making positions within the government and the third sector. These people are replicating the lessons learned from the USAID program and advancing the environmental policy discussions in the country.

A new strategy has already been defined and partners selected to carry out its implementation. The majority of the partners under the old strategy will be key players in the new one, but new partners and new partnerships were formed and the expectations are that the program continues to evolve and bring new contributions and advancements to the environmental agenda in Brazil.

2. Success stories

The IX FLORA, which took place on September 3-7, 2003 in SEBRAE's Entrepreneurial Center in Rio Branco, broke the records of previous events with the movement of approximately US\$175,000 over the six-day period. This performance was the result of retail sales as well as short and long-term sales contracted by the sixty exhibitors present at the fair. The theme of this year's FLORA was "sustainable peoples and alternatives," explored through a series of talks, workshops and seminars which also discussed themes such as sustainable development, food security, fair market trade in a globalized world, intellectual property rights and cultural patrimony. Alternative natural products, medicinal plants, *pupunha* palm heart, sweets, jellies from many varieties of Amazonian fruit species, pomades, dyes, liqueurs, sculptures, paintings and decorations, all inspired and made with genuinely Amazonian materials, were the products responsible for the commercial success of the IX FLORA.

Carried out annually under PESACRE's coordination, the FLORA is becoming the principal showcase for dissemination of the non-timber and agroforestry potential of Amazonia, taking Acre as the point of departure. This pioneering initiative emerged in 1994 from the heart of the social movements, seeking to guarantee

market competitiveness and dissemination in national and international markets of goods produced in Amazonia, especially Acre. The products exhibited at the fair are the result of work among rural producers, workers, rubber tappers, agricultural colonists, indigenous groups and riverside dwellers, with the support of non-governmental organizations, churches, research and extension agencies of the state, and organizations representing the rural workers of Acre. PESACRE's work takes into account not just productive processes, but also the cultural values and life histories of these populations, always from a gender perspective. The fair proposes to demonstrate that it is possible to improve the quality of life of traditional populations without destroying the environment, to guarantee life and work conditions worthy of people who live in the Amazon region, while seeking concrete and viable alternative practices for sustainable development. PESACRE hopes that next year's FLORA will be an even more promising event, broadening its scope beyond the Brazilian Amazon region to the Andean countries, in order to showcase new experiences and alternative technologies as well as innovative practices and community management of Amazonia's natural resources. The intention also is to broaden the scope of discussions on themes related to programs and projects in the region. In light of all this, the FLORA synthesizes the economic and social processes unfolding in the communities.

Another success story is that Proambiente" has been embraced by the Brazilian government as the foundation of its national policy for smallholder agriculture. IPAM continues to play a key role in providing technical assistance and capacity-building to this ambitious program, which includes payments for maintenance and recovery of ecological services on small farms. Over the past six months considerable progress has been made in consolidating this program as a federal government initiative and IPAM has helped the government in four focal areas: to develop educational materials and certification criteria and procedures; to develop the final proposal for the Program to be presented to the National Congress; to establish the regional Proambiente poles including training of extension agents; and, to institutionalize Proambiente as a federal government program of the Secretary of Sustainable Development of the Ministry of the Environment. Pesacre is responsible to help with the implementation of this program in Acre state. In July, Pesacre and FETACRE officially launched the Program in the state of Acre. At the same time that this project benefits conservation it also benefits the rural poor by providing an extra income for them through the payments for maintenance and recovery of ecological services on small farms. This program creates an incentive for the rural poor to stay in the countryside and avoid migration to the big cities.

3. Achievements

- **Sustainable Forest Management**

Major achievements:

- Pesacre successfully coordinated the IX FLORA (Forest Products Fair) as described above under success stories.
- Pesacre's work with the Apurinã community on handicraft production and marketing has improved the social welfare of the families and their interaction with the forest. The handicrafts have been highly praised and accepted in local, national and international markets. This success has also contributed to a renewed valorization of social and cultural aspects of the indigenous community's identity. Requests for handicrafts have come all over from the municipality of Tarauacá, in the interior of Acre, through the Federal District, to Finland where Apurinã handicrafts are being commercialized. Journalists in Acre published a series of reports on the handicrafts, and SEBRAE has expressed interest in promoting a business roundtable in São Paulo with participation by the Apurinã community.
- The positive results of the development of the wildlife management plan by Pesacre in the São Salvador community have sparked the interest of government organizations such as the

Environmental Institute of Acre (IMAC) and IBAMA, who are constantly soliciting information about the experience in order to be replicated in other areas. As a result of the work in São Salvador, wildlife that was hunted at long distances for subsistence can be now found close to residences.

- In the Novo Ideal Producer's Group, PESACRE has worked for over eight years to promote agroforestry systems to link food security, income generation, and reduction of pressures on the forest. During this period PESACRE intensified actions in processing and marketing of products from agroforestry systems. As a result they are selling coffee to buyers in Rondônia, which motivated producers to begin to recuperate abandoned coffee plantations. Novo Ideal producers are also selling banana flour to regional buyers, including a recent contract with the State Education Secretariat for 400 kilos/month to be used in school meals.
- The Alternative Producers Association (APA) is consolidating a partnership with RECA to market palm heart in France. Pesacre has also helped both associations with the processing and commercialization of cupuaçu, honey and other fruits. There is also a strong program in alternative medicine using medicinal plants and homeopathic remedies.
- Over the last four years IPAM has developed an effective system for fire prevention called Bom Manejo de Fogo that reduces the cost of prevention techniques by 40% and the frequency of accidental fires by 75% in participating communities. The project is now concentrating on the regional expansion of the system through training of community leaders and community fire brigades and dissemination of IPAM's overall approach to community-based fire prevention. IPAM's approach to community-based fire prevention is being successfully integrated into IBAMA's Amazon wide fire prevention program.
- Oficinas Caboclas do Tapajós (OCT), IPAM and WHRC's community-based forest management for the production of furniture and other wood products, has taken important steps in consolidating projects in participating communities while also expanding the initiative to include two new communities. IPAM is now working with six communities, three each from the FLONA-Tapajós and the RESEX Tapajós-Arapiuns. Three main areas have been the focus of project activities during this period: forest management, business plans and organizational development. Forest inventories based on a 10% sample have now been completed for all four communities and the data analyzed. The members of Oficinas Caboclas decided to organize as a cooperative, Cooperativa das Oficinas Caboclas do Tapajós e Arapiuns (COCATA).
- This year Proteger did not register any fire occurrence in the communities where they have been active in providing training and forming fire brigades. This was the case for Marabá and Garantã do Norte. The Proteger fire prevention program was expanded to other states, including Acre.
- TNC and SPVS have promoted the adoption of organic banana plantation in the Guaraqueçaba APA as a means to assist rural producers in generating income. They are working with 174 producers. These landowners produce from 0.5 to 40 hectares of organic banana.
- USFS data from experimental burns in Mato Grosso between 1997 and 2003 is being completed to consolidate the results in reports and publications.

- Forest flammability was monitored in the understory of a primary forest near the Fazenda Ouro Verde in Mato Grosso by the USFS scientists. The fire was evaluated in two accidental fires that escaped from pasture fires. These two fires burned for several days and burned a significant number of hectares. Plots have been established to monitor tree mortality from the understory fires. This data collection effort will allow a thorough assessment of the characteristics of the fires that happen during the driest time of the year, when burning is still restricted by IBAMA but accidental fires remain a real threat to the primary forest. Observations during the 2003 field campaign revealed that some of the accidental fires involved areas that had been cleared the year before, 2002. The slash from those areas had not burned adequately because they were ignited during the rainy season when IBAMA authorized the fires in the state of Mato Grosso. The biomass reduction from these fires is likely to reach approximately 60%, as was measured from the 1999 experiments. However, a more complete biomass burn may have, on one hand, a more desirable result by opening growing space for agriculture or range vegetation. On the other hand, more smoke is released from these fires and the effect on soil and the environment have not been assessed and may have a negative impact that may last longer than burning fresh slash.
- In 2003, the USFS began to integrate the international cooperative projects in Brazil and Bolivia. The purpose is to exchange expertise that has been developed during these years of international collaboration by USFS personnel and collaborators in those two countries.
- IMAZON has been part of the Mahogany Management Technical Group, installed by the Environment Ministry, to decide upon the criteria for mahogany exploration within the Amazon after the species inclusion in the CITE Annex II. In October 2003, IMAZON was invited by the CITES Secretariat to present the background technical document on sustainable management of mahogany to develop actions on the implementation of Appendix II.
- Researchers from the USFS and Imazon analyzed the long-term sustainability of logging using 2 different models and data that they gathered from the FLONA Tapajos and Cauaxi. The results of these models indicate that under Reduced Impact Logging management with an expanded list of commercial species in the future, logging could be sustained for about 200 years at about 30 m³ ha⁻¹ on 30 year rotations. This work has been accepted for publication in a book *Working Forests in the Tropics* to be published by Columbia University press.
- September 2003 is a historical moment for the pilot forest management project in Paragominas. The 10-years-after-exploration monitoring has begun and it will deliver strategic information regarding the regeneration and growth of the forest in this decade to subsidize the debate on the sustainability of forest management in the Amazon.
- Studies of the Mato Grosso soy industry, potential Amazon markets for non-timber forest products, and the effect of reduced impact vs. conventional logging on native fauna were completed this year by IPAM. In general terms, the study on fauna shows that 10% of some species increase their population after logging and other 10% decrease their population. So, in reality, logging just changes the composition of the species in that forest, but do not represent a major threat on the fauna.
- In November 2002, CI and IESB launched a fund to support processing the CABRUCÁ (Organic Producers Cooperative) association's products, whose members are protecting

important patches of Atlantic Forest in the region (legal reserves and RPPNs). The support enabled the processing of 10,000 açaí stems harvested by 10 small and medium size producers. The result was 600 organic palm heart bottles produced and now ready to be commercialized. The cooperative is now negotiating to sell the bottles to the Pão de Açúcar Group (one of the largest supermarkets in Brazil) and the money will return to the fund to be used by other producers.

- IESB is working to recover the cocoa plantations infected by witch broom disease and to preserve the cabucas (cocoa planted under the shade of native trees) in southern Bahia. They have established a disease resistant cocoa (clones) garden (trial) in the property of Osvaldo Profeta in Colonia to enable the original cocoa plantation to recover from witch broom disease. The new garden (trial) will also be used as source of disease resistant cocoa resistant trees neighboring producers. IESB is also working with local producers on complying with the requirements necessary to receive organic certification.
- IESB received an award during the Brazilian Civil Society Innovative Initiatives Seminars promoted by the World Bank. IESB competed with its Floresta Viva Program carried out in Itacaré and Serra Grande, with small rural producers. The award received was invested in the projects, including the renovation of the house of the Rural Producers of Serra Grande Association.
- IESB is helping small producers with the installation of water wheels. In general, they are installed in a participatory work system (mutirão) where several producers and families have land adjacent and can benefit from the water wheels to produce organic vegetable gardens. IESB provides the wheel and technical assistance during the installation and maintenance. Over 30 families have benefited from this service so far.
- In June 2003, with the support of IESB and COOPERUNA associated producers, it was created the Central Entrepreneurs Cooperative of Southern Bahia (CCESB), based in Camamu. The CCESB houses today seven associated cooperatives, totaling 3,000 associated producers. The COOPERUNA is one of the founder members and is part of the Fiscal Council. In September 2003 the CCESB successfully develops the first joint commerce operation involving products of the seven cooperatives: eight tons of guarana were sold to the Centro Flora company, in São Paulo, with a prize of R\$11.200, 00 (or approximately US\$4,000) above local market prices. The Centro Flora company commercializes medicinal plants and herbs at the local and international markets.
- CI's Fire Control and Management Program in the Pantanal relies heavily on local fire-fighting volunteers. Over the last two years, over 1,300 people (including teachers) have received training to help prevent and control fire in the Pantanal. As a result, there has been a considerable decline in the incidence of uncontrolled and damaging fires. In addition, the number of applications for authorized (i.e., legal - controlled) burns has more than doubled from 1999 to the present from just over 200 to almost 450. This clearly demonstrates the effectiveness of the training program, as well as serious compliance at local levels. To augment the effects of training, CI is investing heavily in public awareness efforts including radio and television spots, billboards, booklets, etc.

Major planned activities after USAID grant termination:

- Management and business plans will be drafted and implemented for the communities that participate in the Oficinas Caboclas do Tapajós Program.

- The USFS is currently testing the fire-measuring instrument called FireMapper 2.0 to be donated to IBAMA in early 2004. This instrument will greatly increase Brazil's capability to enforce regulation of wildland and agricultural burning and will expand their tools for monitoring selective harvesting and deforestation.
- The second volume of the photo series publication to estimate fuels in the Cerrado is planned to be completed by USFS in the coming fiscal year.
- The USFS and INPE will conduct studies on residual charcoal production after fire. For the first time estimates on the biomass that is converted to charcoal, which may represent one to several percent of the pre-burn biomass loading or two to thirty percent of estimated biomass consumption. That means that not all the biomass that catches fire releases CO₂, some is turn into charcoal which is a very stable mineral.

- **Protected Area Management**

Major achievements:

- The most important achievement of the work being conducted at the Serra do Divisor National Park by TNC and SOS Amazonia was the brokering of an agreement by SOS and INCRA to reserve Gleba Havai, an unpopulated area of 34,000 hectares near the town of Mâncio Lima, for families wishing to relocate from the northern sector of the park. Implementation is already underway with the construction of roads, two schools and a community center by INCRA, and the relocation of members of 26 families. It is worth stressing the innovative nature of this achievement, and its potential as a regional model of good practice. It is unprecedented in the Amazon history a relocation program that reduces environmental pressures in a key biodiversity site, but is also based on informed consent, an adequate relocation site, just compensation, and low-impact, sustainable employment for the residual population.
- The National Law on Conservation Units (SNUC) mandates the formation of a Consultative Council for each national park, with its membership drawn from communities and local government in and around conservation units. This year the Consultative Council for Serra do Divisor was further consolidated, thanks to the efforts of SOS Amazônia in liaising with the local community, identifying and training council members, and coordinating the participation of municipal governments and state and federal bodies. The Consultative Council met twice during this year, and is an important forum for dialogue between IBAMA and local communities. It is one of only two functioning Consultative Councils for conservation units in the Amazon, and is already serving as a model for other areas.
- Fundação Vitória Amazônica received the award "Planeta Casa, nosso planeta, nossa casa" (Planet Home, our planet, our home) from Claudia Magazine for the effective sustainable development project Fibrarte. In June 2003, the Fibrarte Project was recognized by the World Bank as a good practice initiative which promotes development and environmental conservation.
- In June 2003, exchange visits were carried out between residents of Jau National Park (14 participants) and Serra do Divisor national Park (9 participants). The idea was an exchange

of experiences and lessons focused on community organization and the creation process of the consultative council for the protected area.

- The construction of the new palm heart processing plant in the Cajari Extractive Reserve was completed. COOPER-CA passed the final audit of the National Agency of Sanitary Vigilance and IBAMA. They are now waiting for the licenses to start the production and commercialization. The Management Plan was revised by CNPT/IBAMA and the accredited certifier IMAFLORA conducted the final audit in September 2003. IMAFLORA sampled palm heart managed sites and verified processes of processing and institutional organization. The accredited certifier informed that COOPER-CA has favorable conditions to obtain and implement the FSC certification. COOPER-CA is waiting for the report of IMAFLORA to proceed with the FSC certification.
- WWF finalized negotiations for an agreement with UNESCO and the Brazilian Ministry of Environment (MMA) that will generate \$380,000 in matching funds from the United Nations Foundation (UNF) to initiate the Brazilian World Heritage Biodiversity Program. The program is a long-term initiative to strengthen the conservation of biodiversity in five natural World Heritage Sites through integrated management with the regional scale ecosystems, capacity building of managers, and developing support of the communities in the surrounding area for conservation of these sites. With the total of \$760,000 (WWF funds plus UN Foundation match), WWF and UNESCO, together with IBAMA and local partners, will initiate a program in two World Heritage Sites – the Iguazu National Park and the Southeast Atlantic Forest Reserves – in the Atlantic Forest Ecoregion of Brazil. This effort presents a unique opportunity for WWF to promote implementation of models for protected area management that incorporates the participation of local communities as was originally developed with USAID support in other regions in Brazil.
- IESB prepared maps with the location and boundaries of new RPPNs, and over 10 new RPPN processes were sent to IBAMA for approval. Unfortunately, in FY03 no new RPPN was created because IBAMA is undertaking a redefinition process of Private Reserves creation procedures and until this process is concluded no new areas can receive the title of RPPN. The only exception was Serra das Lontras because the process was already underway.
- IESB has helped IBAMA to map all the properties around Una Biological Reserve. IBAMA is now buying the properties that were inside the decreed Reserve area. From a total area of 11,400 hectares established in the decree, IBAMA has already 9,000 hectares. The other properties are now being negotiated.
- IESB helped to organize several meeting for RPPN owners, including the first Meeting of Owners of RPPNs from the Caatinga biome. IBAMA was always present at these meeting and the turnout of private reserve owners was incredibly high.

Major planned activities after USAID grant termination:

- In last August, SOS met with TNC and Peruvian organizations to produce a major proposal for funding to the Moore Foundation, to consolidate protected and indigenous areas in the Acre-Peru border region around PNSD. This will allow SOS to continue and extend its work in the Park and buffer zone at a higher level of funding for the next three years.

- Inauguration of the palm heart processing plant in Cajari Extractive Reserve is scheduled for November 2003.
- WWF will develop commissions to promote and sustain coordination of partner efforts in both World Heritage Sites, Iguazu National Park and the Southeast Atlantic Forest Reserves.
- CI will conduct implementation of the project “Biodiversity Corridor Municipalities” to ensure that Corridor’s maintenance and connectivity happen on a municipal scale and guarantee a much faster and specific response to local problems in a participatory manner. The project aims to provide an integrated data system for analyzing environmental, social and economic trends, as well as carry out spatial design and zoning of new protected areas, core-nuclei, and corridor-wide boundaries. This will be done by training and assisting municipal technical staff on GIS techniques. CI will use non-USAID funding for this activity since the organization is not a member of any of the winner consortia that will participate in the new USAID/Brazil environmental strategy.

- **Capacity Building**

Major achievements:

- FFT learned that very little training effort can reap huge benefits for typical, medium-sized forestry companies in the Amazon. During a training course at Jurua (near Thailand), FFT trainers went to a nearby company called Catarinense to offer 3 days of RIL training. The unplanned visit was ostensibly made to see how a typical operation in the Amazon could be affected by basic training in FM-RIL methods. The owner subsequently advised FFT that the 3-day investment had improved his production by 25 times. In fact, the owner was so pleased with the benefits (e.g., much less waste) of the brief training that he wants to send more of his crew for additional training and also prepare to become FSC certified.
- At the World Forestry Congress in Canada (September 2003), ITTO’s representative Eva Muller named FFT’s 1998-99 training project as one of the three best ITTO projects ever. The ITTO president personally conveyed this news to Zweede at the Forestry Congress held in Belem in late September 2003.
- Interest in FM-RIL and demand for FM-RIL training continues to mount across the Amazon. This increasing demand is exemplified by (1) the growing number of requests for training from other Amazon Basin countries including Guyana, Suriname, Peru, and French Guiana; (2) the greater number of courses (28) conducted and people (382) trained during this reporting period than ever before (see graph below); (3) the sustained number of requests for FFT’s training film for operators; and (4) the declaration by several associations of forest industries that human resources must be developed through training for the potential of forestry to contribute to the region’s economy in a socially just and environmentally sound way to be realized.
- About 20 companies across the Amazon (Acre, Mato Grosso, Rondonia, and Para) are going through the process of certification and/or preparing to do so. FFT/IFT is supporting their efforts with training and technical support. The owner of the first company certified in the *Varzea* (floodplain forest) of the Amazon acknowledged during the forestry congress that his attendance to FFT’s Decision Makers course made the difference.

- The formal establishment of CENAFLORE by MMA and IBAMA was a major milestone for forestry in the Brazilian Amazon. The network of training sites administered under the auspices of IBAMA and MMA that the establishment of CENAFLORE entails will greatly facilitate the expansion of FM-RIL training across the Amazon. IBAMA and MMA agree that IFT/FFT should run the principal Center of Reference for the training network at Cauaxi. Before IFT can be designated as the Center of Reference it must be recognized as “OSCIP”, which is a civil entity of public interest. Accordingly, IFT is modifying its statutes to be approved as an *OSCIP*.
- In collaboration with Proteger of GTA (Grupo de Trabalho da Amazonia), IPAM staff conducted 17 courses in fire prevention and management in the states of Pará, Amapá, Rondônia and Roraima. IPAM is replicating the successful Bom Manejo de Fogo effective system for fire prevention in these other regions.
- A program of training of community environmental monitors in the Serra do Divisor National Park to gather data on environmental indicators identified as a key need in the management plan began in September 2002, the first fruits of an agreement signed between SOS Amazonia and the Federal University of Acre. It ran throughout FY2003, creating 50 jobs for the residual population left in the Park who choose not to relocate to Gleba Havaí, and producing three 6-monthly reports, on primate, mammal and Chelonidae (turtles) population levels at sampling sites determined by the Area Conservation Plan.
- PDBFF has promoted the 10th year of its training course on Amazon Ecology for graduate students.
- Proteger promoted a total of 368 training courses and workshops on agriculture production without the use of fire, formation of monitors, etc.
- USAID provided support to 13 graduate thesis and dissertations from IPAM/WHRC personnel. Three of the theses were already defended (1 MS, 1 PhD and 1 specialization) and 10 other are in progress.
- One 11-day field course in “Ecology of the Amazon Forest” was conducted by IPAM in Tapajós National Forest. Twelve Brazilian graduate students (6 female) participated.
- Pesacre promoted 25 training courses for their target communities, including: Novo Ideal, São Miguel, RECA, São Salvador, Apurinã, Paz e Progresso. The trainings focused on: the use of GPS, handicraft production, apiculture and aquaculture, organic practices, etc.
- In the RECA community, Pesacre is helping them to incorporate a new education program. Parents of the students, the community, and the State Education Secretariats of Acre and Rondônia are involved with the program. More than 40 persons, including women and men of diverse ages, participated in the last workshop. They are discussing with other partners the possibility of establishing a Family Agricultural School in the region, for children of producers.
- The Nature and Society Program implemented by WWF and IIEB, offered direct support to 7 institutions and 30 individuals during FY03. A total of 197 individuals were trained under this program.

- WWF Brazil established a partnership with Rede Brasileira de Educação Ambiental (Brazilian Environmental Education Network) to provide technical support to the National Diagnostic of EE in Brazil. The publication “Reflexos e Cores da Amazônia no Mosaico da Educação Ambiental”, the most comprehensive inventory of environmental education in the Brazilian Amazon to this date, is being used as the base for a national EE evaluation/diagnostic in development by REBEA.
- IESB, in partnership with TNC and CI, organized on December 02-03, 2002, a training workshop on “Biodiversity Conservation and Carbon Sequestration Projects” in Ilhéus, BA. More than 50 representatives from local institutions, including NGOs and GOs, participated in the workshop. During the event a paper on “Sequestration Project to be implement in Southern Bahia”, prepared by IESB-CI-TNC, was presented and discussed.
- In February 2003, IESB organized a training course on “GIS as a Tool for Conservation Units management in Southern Bahia”. The training was requested by IBAMA, CI-Brasil and Instituto Baleia Jubarte. Directors of the Abrolhos Marine National Park, Descobrimento National Park, Pau Brasil National Park, Monte Pascoal National Park and Corumbau Marine Extractive Reserve as well as representatives of local NGOs and an EMBRAPA technician participated in the course.

Major planned activities after USAID grant termination:

- IFT/FFT will develop and test FM-RIL models, develop guidelines and standards for training, and provide technical support to the satellite centers that are part of CENAFLO. IFT will be able to carry out this activity as a member of two winner consortia that will receive USAID’s support under the new strategy starting in FY04.

• Policy

Major achievements:

- “Proambiente” has been embraced by the Brazilian government as the foundation of its national policy for smallholder agriculture. IPAM continues to play a key role in providing technical assistance and capacity-building to this ambitious program, which includes payments for maintenance and recovery of ecological services on small farms. Over the past six months considerable progress has been made in consolidating this program as a federal government initiative and IPAM has helped the government in four focal areas: to develop educational materials and certification criteria and procedures; to develop the final proposal for the Program to be presented to the National Congress; to establish the regional Proambiente poles including training of extension agents; and, to institutionalize Proambiente as a federal government program of the Secretary of Sustainable Development of the Ministry of the Environment.
- Pesacre is responsible to help with the implementation of Proambiente in Acre state. In July, Pesacre and FETACRE officially launched the Program in the state of Acre.
- IPAM/WHRC’s Amazon forest policy initiative—called “Family Forests”—is described in a book published in May of 2003. The principle of fair exchange between logging companies and rural landholders that is at the core of this proposal has also been the topic of numerous

meetings arranged with government and World Bank representatives, and has gained broad support of Amazon social movements. These discussions have led to a re-assessment of the National Forest Policy and to the formation of the “Social Movement Working Group” . Timber accords between private timber industries and communities of smallholder farmers hold tremendous potential for channeling a larger share of the industry’s benefits to the rural poor, reducing illegal logging, and avoiding the industry’s penetration into some of the region’s most pristine forests. But this potential is currently not captured in the Brazilian Government’s national forest policy. This initiative is being refined through economic analysis of 750 sawmills and “Family Forest” farmers.

- The fourth Madre de Dios-Acre-Pando (MAP) forum to discuss the paving of the Acre road to the Pacific was held in Eitaciolandia. More than 600 people were in attendance. WHRC and IPAM staff that created MAP were invited to present results of the meeting to the Peruvian Congress on the occasion of Brazilian President Lula’s visit to Peru to discuss trade agreements. The MAP process has stimulated tri-national collaboration among government enforcement agencies in the control of illegal logging, brought loggers together in support of forest management, and has created productive dialogue among a broad array of stakeholders in the region.
- During this final funding year, IPAM consolidated its role as the leading Brazilian non-governmental organization in disseminating information and driving policy discussions concerning climate change. The newsletter “Clima em Revista” is now disseminated to 426 people, including 60 federal congressmen/senators. Veja magazine, government officials, and numerous other recipients interviewed cited the bulletin as an important source of information on the complex and very dynamic issue of climate change.
- IPAM’s leadership role in the Brazilian climate change debate was manifested in key meetings with federal government officials, side events organized at the New Delhi COP8 meeting, participation in the recent climate change meeting in Russia, and meetings with Brazilian Senators. The concept of “compensated reduction” of greenhouse gas emissions from deforestation is gaining momentum among officials of Brazil and other countries.
- The Brazilian government (Environment Ministry) has asked IPAM to lead development of possible zoning plans for the Cuiabá-Santarém and Transamazon highway, in anticipation of paving that should begin over the coming year. IPAM, with its three years of research, meetings with hundreds of local organizations, and investments in institutional strengthening along these corridors, will now convene meetings of partner institutions, social movements, and other NGOs to develop these preliminary zoning plans by the end of the year.
- Pesacre created the Working Group on Social Certification in the Amazon (GTC) and is coordinating a socio-participatory certification process in Acre, Rondônia and southern Amazon with the help of partner organizations. The certification process is a tool to add value to goods produced by agroextrativist communities, because it brings along with it social valuation and work in favor of environmental conservation, promoting improved quality of life of families involved in production and maintenance of natural resources. In May 2003, Pesacre organized the 1st. workshop on Socioparticipatory certification.
- As a matching contribution to the USAID Program, WWF conducted a policy analysis in the States of Mato Grosso and Pernambuco on their performance on the implementation of the ICMS ecológico mechanism. A formal agreement was signed by both states governors and WWF. WWF also took part on the debate of the tax reform process of the Brazilian

Congress in order to guarantee the continuity of the ICMS ECOLÓGICO instrument. The Brazilian experience with this instrument was presented during the World Parks Congress by WWF Brazil and the University of Rio de Janeiro in Durban, South Africa.

Major planned activities after USAID grant termination:

- IPAM will continue to help the government to consolidate Proambiente as a federal program.
- Over the next months, four important meetings will take place to define a blueprint for sustainably developing the Cuiaba-Santarem and Transamazon corridors following highway paving. IPAM and Woods Hole will orchestrate these meetings.

- **Dissemination**

Major achievements:

- In June 2003, a report synthesizing the thirteen years of collaboration between the USDA Forest Service and the Brazilian Government was completed. Dissemination is in progress. In 1990, when this collaboration started, very little information was available on fire behavior, intensity, spread, emissions, and impact on the ecosystem. The work conducted by this U.S.-Brazilian collaboration has not eliminated all the information gaps in the fire realm, but has vastly increased the knowledge and advanced the human and physical capacity to mitigate the adverse effects of fire. The program has enhanced the ability to estimate the magnitude of greenhouse gas emissions from fire in Brazil, to regulate the use of fire in agriculture and other land use practices, to manage fire and to support strategies for conservation and sustainable development of tropical ecosystems. In addition, progress has been made in estimating biomass consumption and emissions factors, flammability thresholds, and fire spread and intensity. Additional emphasis on applied research is still necessary to consolidate the results and produce a comprehensive fire assessment for Brazil that could serve as a model for the rest of the world.
- A video completed by FFT on how to implement RIL was included in IBAMA's annual report on forest management. IBAMA solicited authorization from FFT to make 15,000 copies of the video because of report's national distribution. With such a wide distribution, the message about FM-RIL will be much more easily and quickly spread across the Amazon. The other gratifying and significant aspect of this success is that the IBAMA request exemplifies the strengthening linkage between FFT and the key Brazilian government agency responsible for improving forest management in the Amazon.
- IPAM and WHRC's report on deforestation was presented to the inter-ministerial panel convened to respond to the surge in deforestation detected in 2002. The report recommendation that the government focus on those types of deforestation that do not lead to sustainable agricultural systems has been assimilated by the Environment Ministry.
- Pesacre produced a video and CD-ROM on São Salvador settlement showing the process of developing the Sustainable Development Plan with the participation of the community. Work with the Apurinã indigenous community was also documented in a video, a CD and a

catalogue of handicrafts, as mechanisms to disseminate the work and as a marketing strategy for the community.

- PROTEGER is working with local radio stations to disseminate their work. In addition, they produced several publications tailored for schools, videos and other dissemination materials.
- The Green Gold video on Forest management and certification in the Amazon has been launched and intensively divulgated by IMAZON and WWF-Brasil in 10 cities of the Amazon and in Brasilia. Over 1,000 people have watched the video. The repercussion of the video is extremely positive and WWF had to order new copies for distribution.
- IMAZON research results points out that the growth rate in a managed forest is 5.5 times higher than in a non-managed forest. This was the topic of a PhD thesis from one of IMAZON's researcher and a short paper version is being produced for distribution.
- Several publications were launched as per support provided by IIEB and WWF under the Nature and Society Program; e.g. the booklet "O Uso da Floresta e o Artesanato dos Guaranis da Aldeia Boa Vista do Sertão do Pró-Mirim" (The use of the forest and the handicraft of the Guaranis from Ubatuba, São Paulo), the paper "Fragmentos Florestais do Pontal do Paranapanema" (forest fragments from the Pontal do Paranapanema), the book *Environmental Policy in Brazil – analysis, instruments and experiences*, etc.
- At least 35 municipalities reached during 3 months of radio and TV campaign as part of the CI's fire campaign in the Pantanal. A least 5 new fire brigades created and 100 new volunteers recruited and trained.

4. Performance Assessment

In FY'03, the USAID/Brazil SO1 Program experienced a number of successes and only one setback in its progress towards SO1 under each of the IRs. In cumulative and real terms, the Program dramatically exceeded targets in training and dissemination under IR 2 and 4. Dissemination has always been a focus of the USAID Program as a way to replicate the good practices developed under this program to other regions and to target audiences. Training has also been a focus of this program, as a stepping stone to build the capacity of professionals to foster biodiversity conservation and sustainable resource use and because the USAID/Brazil Program believes that building capacity will have a long-last effect after the program ends.

The program performed reasonably well in disseminating the good practices in sustainable forest management under SO level indicator 1, where 54 forest sites were certified by FY03 and, therefore, are adopting aspects of sustainable forest management techniques in addition to target operations. This year not much emphasis was put on the creation and implementation of new conservation units beyond target areas under SO level indicator 2. However, in cumulative terms the program has helped to create 27 new areas in which government or private owners adopt aspects of sustainable management systems. The universe of areas under management impacted by the USAID/Brazil Environmental Program is probably much larger than what has been credited under SO level indicator 2 since grantees are only reporting new areas created and not areas where management has been improved. An outstanding performance can be attributed to SO level indicator 3, where over 14,000 families outside the target area have adopted improved sustainable management systems, including the adoption of the use of fire prevention techniques, farm-level agricultural intensification, sustainable use of wildlife, and agroforestry systems. The cumulative number of families reached by FY03 is incredibly larger than expected because WHRC/IPAM expanded tremendously their community fire and agricultural management activities in the past two years.

Targets for IR 1 indicators 1.1 and 1.3 were met. The index ratio of 1 shows that all sites have met at least 80% of their annually established benchmarks towards sustainable management systems and low impact forest management systems developed and validated. Target was met for indicator 1.2 of IR1 where grantees met at least 80 percent of their annually established benchmarks towards conservation unit and buffer zone management plans developed and validated. However in terms of hectareage, the target fell short because the Chico Mendes RESEX management plan process (WHRC responsibility) has faltered in the last two years and both Tapajós and Guaraqueçaba were already consolidated in the past years and were not counted again this fiscal year.

The only setback this year, although not a major one, was in indicator 2.1 because one of the institutions that CI was responsible only met 60% of its annual established benchmark. On the other hand, WHRC helped to strengthen a much higher number of institutions compared to what was originally planned. They worked with 47 institutions and they all concluded several steps towards strengthening, including being able to pass an audit, the production of papers and publications, being able to attract other funding sources, etc. During FY03, 54 out of 55 institutions met 80% of their annual established benchmarks.

Finally, targets for the policy indicator 3.1 were incorrectly set for most of the grantees for both FY02 and FY03. In addition this indicator has a structural problem. This is not a cumulative indicator, although some of the policies are being carried out over several years and counted each year. It seems that this year this indicator is below target, but in reality the target does not take into consideration that several policy activities were completed and implemented in the past fiscal year (FY02) and left out from the computation this year. In total, over 22 policy interventions were carried out by FY03, but only 16 were carried out in FY03.

A. SO: Environmentally and socio-economically sustainable alternatives for sound land use adopted beyond target areas.

Indicator 1: *Number of forest sites that adopt aspects of sustainable forest management techniques in addition to target operations and the hectareage covered by such operations (i.e. hectares of forest harvested using sustainable forest management practices).*

Performance:

Throughout the years TFF and WWF did a remarkable job in disseminating sustainable forest management practices to areas beyond the scope of this program. Fifty four new sites, where TFF and WWF had some kind of involvement (direct by providing technical assistance or indirect by disseminating their work), were certified by FY03. These areas have management plans in place and are under current implementation.

It is remarkable the increase in certified areas in Brazil in the past few years and the influence that TFF, Imazon and WWF are making in fostering certification throughout the country. According to FSC, forest certification in Brazil surpassed the one million hectare mark last year. Brazil ranks first in LAC in number of hectares with certified forest. USAID/Brazil was one of the first donors to support forest certification in Brazil and it started by providing support to IMAZON and WWF to carry out an experimental work in a 100 ha plot in Paragominas, in Pará State. This pioneer project is completing 10 years now and studies are being carried out at the site to evaluate the regeneration of the forest which will provide a great insight to the future of forest management in Brazil.

The number of certified sites where sustainable management techniques are in place in the country are much bigger than the 54 that are being considered here. USAID cannot claim credit for all these new certified areas. That is the reason why USAID/Brazil relies on some of their grantees to gather data for this indicator. The areas where TFF and WWF had any kind of involvement in their certification are areas where the

USAID/Brazil originally funded sustainable forest management techniques are being replicated, and, therefore, are considered a result of its supported activities throughout the past years. We can be sure these 54 sites were a result of USAID's long support and belief on forest management over the past 10 years.

Indicator 2: *Number of conservation units in which government or private owners adopt aspects of sustainable management systems in addition to target areas.*

Performance: The creation and/or consolidation of conservation units outside target areas were not a priority this fiscal year. In the Atlantic Forest the focus has always been on the creation of private reserves – RPPNs – since there is only 7% of the forest left and still pristine plots are in the hands of private owners. CI has helped with the creation process of two new RPPNs in the Pantanal: RPPN Vale do Bugio and RPPN Laudelino Barcelos Flores, totaling 282 ha. In Southern Bahia, IESB was instrumental in submitting over 10 process of RPPN creation to IBAMA. The titles are still pending because IBAMA is undergoing a redefinition process of the creation procedures of RPPNs and until the process is complete now new areas will be created.

In the Amazon, the focus has been on the creation of new federal conservation units and towards the implementation of the existing ones. This year our grantees were not particularly involved in the creation or consolidation of any area beyond the target ones.

Indicator 3: *Number of families outside target area who have adopted improved sustainable management systems.*

Performance: It is expressive the work being carried out by CI/IESB, UF/Pesacre and WHRC/IPAM under this indicator. By FY03, 14,811 families have adopted improved sustainable management systems in an area covering over 6 million hectares. WHRC/IPAM expanded tremendously their community fire and agricultural management activities in the past two years. Only in FY03, WHRC/IPAM worked with 80 communities along the Cuiabá-Santarém road, and over 6,000 families. In addition, PESACRE worked with 7 different communities and over 1,000 families in FY03 providing incentive and technical assistance on the implementation of agroforestry systems, the production and commercialization of organic coffee, banana flour, honey, cupuaçu, medicinal plants and other fruits and fruit jams. Finally, CI and IESB worked with over 120 families in FY03 delivering: 50ha of cocoa resistant gardens implanted, 200ha of piaçava certified, 75 organic certified properties, 1,5 tons of açaí palm heart, 2,4 tons of organic fruits processed, 100 tons of cocoa nuts sold, 126 tons of fresh organic fruits produced, 25 tons of cocoa processed, 4 tons of black pepper sold, and 4 tons of guaraná sold.

B. IR 1: Systems for sound land use identified, promoted and adopted in target areas

Indicator 1.1: *Sustainable management systems developed and validated*

Performance: All sites met at least 80% of their annually established benchmark for this fiscal year, so the ratio 1 was reached. Work at Del Rei and Capim was completed in 2002, and a strategic decision was made by WHRC/IPAM to shift the focus of their work with smallholder production systems to municipality-level planning processes. This process focused on Paragominas initially, and has now expanded to Trairão. For the first time, TNC/SPVS has contributed to this indicator. The installation of an organic banana plantation at the Guaraqueçaba APA, by one of the carbon sequestration projects has enhanced current efforts at assisting rural producers to initiate organic production activities. SPVS and partners have expanded the initial work with 57 organic growers in the EPA to 174 producers assisted by an agroecology pole, which has also been created to

strengthen sustainable management systems in the area. CI/IESB focused their work on Una and Itacaré. And, Pesacre focused on APAEX, Novo Ideal and Apurinã.

Issue: One of the main players under this indicator is the Brazilian NGO Pesacre. In the past two years, Pesacre has incurred difficulties in its accounting system due to problems with the firm contracted to perform these services, and faced the need to reorganize its administrative-financial sector with support from legal and accounting advisors. These actions were supported by the PADIS and USAID.

Proposed Steps for Resolution: With financial support from USAID and PADIS (Program to provide support for institutional development and sustainable development from IIEB), outside consultants assisted Pesacre to carry out an institutional diagnosis and a strategic planning process. PADIS provided several courses and technical assistance to strengthen Pesacre's administrative and financial skills and procedures, thus promoting its institutional development.

Major future accomplishments: Hopefully the assistance provided will be enough for Pesacre to carry out its important work in Acre state.

Evaluation schedule: There is no evaluation schedule. It will be interested to have one performed to evaluate the recent developments under the new reorganized structure.

Indicator 1.2: *Conservation unit and buffer zone management plans developed and validated.*

Performance: All grantees met their targets. In terms of hectareage, the target was not met, because the Chico Mendes RESEX management plan process (WHRC responsibility) has faltered in the last two years and both Tapajós and Guaraqueçaba were already consolidated in the past years and were not counted again this year.

Indicator 1.3: *Low impact forest management systems developed and validated*

Performance: This indicator was met, both WWF and TFF met their targets.

Issue: After long discussions about the creation of a training center in the Amazon for forest management, CENAFLO was finally created and IFT/TFF is waiting to be designated the official principal Center of Reference for this training network. They expect to do that at their facilities in Cauaxi.

Proposed Steps for Resolution: IFT is modifying its statutes to be recognized as "OSCIP", which is a civil entity of public interest. This is a legal requirement. They have also started to expand and renovate their physical facilities in Cauaxi.

Major future accomplishments: Solve all the legal requirements to run the principal center of reference and provide technical assistance to the satellite training centers.

Evaluation schedule: N/A.

C. IR2: Target institutions and local human capacity strengthened

Indicator 2.1: *Institutions strengthened*

Performance: CI failed to complete the steps towards institutional development for Oikos and CooperUna. In contrast, WHRC extrapolated its target by strengthening 47 organizations. Through the Proambiente, Family Forest, Community fire management projects, and MAP, WHRC and IPAM have invested in a much larger number of institutions, 47 in FY03. This was possible because of municipality-level planning, and collaboration with FETRAGRI. In total, 54 out of 55 institutions met 80% of their annual established benchmarks. One of the institutions that CI was responsible only met 60% of its annual established benchmark. WHRC was responsible for 47 institutions and they all met their targets; WWF for 2 which met their targets; UF for 1; TNC for 1, and USFS for 1.

Indicator 2.2: *Number of persons trained (those with or without a high school diploma)*

Performance: Targets were far exceeded for both persons/month and total number of people trained because the USAID/Brazil Program believes that building capacity will have a long-last effect after the program ends. TFF exceeded its targets because more training courses were performed than projected and because of a new partnership between FFT and UFRA, Universidade Federal Rural da Amazonia, new courses for graduated foresters were included. The Pantanal program of CI has continued its fire brigade training scheme, including new seven rural settlements near protected areas. IESB trained 521 producers (390M and 131F) for 60 hours and 84 landowners (64M and 20F) for 50 h. They also held 3 different capacity building trainings on fire for teachers and journalists. GIS courses and environmental legislation were also offered to Corridor's municipalities, increasing this year's results. IESB has trained 33 people in GIS (25M; 8F) for 150 h; 70 representatives from other NGOs (50M; 20F) for 60 hours; and 20 teachers (3M; 17F) for 50 h. The number of people reached by WHRC/IPAM who do not have high school diplomas increased because of the emergence of more effective dissemination strategies through the Proambiente develop process and through the community fire management development of a more effective dissemination strategy. In this period the number of trained people by UF/Pesacre surpassed the goals due to the new partnership with MLAL, FUNBIO, FNMA and MMA projects. USFS targets were exceeded due to long term nature of the training in biogeochemistry studies, soil monitoring at the FLONA Tapajos and the training of 70 firefighters from Amazonian States. The people trained with degrees were civil defense firefighters, students from UNESP, UNEMAT and UNICAMP, University of Para and EMBRAPA. Training consisted of assessing fuels and flammability, assessing the effects of fire restrictions and scheduling on smoke emission production, and of using remote sensing for detection of logging. WWF and Smithsonian also exceeded their targets in FY03.

Issue: Not only in FY03 but throughout the years, this indicator (persons trained who DO NOT have high school diploma) seems to have shown a gender imbalance. This program has trained two times more men than women under this indicator. In part this can be explained by the fact that a lot of the trainings under this indicator are for forest managers and forest technicians and they are mostly men.

Proposed Steps for Resolution: This issue needs to be discussed internally at USAID and subsequently with partners.

Major future accomplishments: Diminish the gender imbalance if appropriate.

Evaluation schedule: There is no evaluation scheduled to analyze this issue.

Indicator 2.3: *Number of persons trained who are now trainers or have training/extension functions/roles*

Performance: Again, target for this indicator was exceeded. Training has been a focus of this program, as a stepping stone to build the capacity of professionals to foster biodiversity conservation and sustainable resource use. A particular emphasis has been given to train teachers since they are natural multipliers

D. IR 3: Target policies to support environmentally sound land use adopted and/or implemented

Indicator 3.1: *National and local policies which support biodiversity conservation and natural resources management implemented and/or policy implementation improved*

Performance: There seems to have a structural problem with this indicator. This is not a cumulative indicator, although some of the policies are being carried out over several years and counted each year. It seems that this year this indicator is below target, but the target does not take into consideration that several policy activities were completed and implemented in the past fiscal year (FY02) and left out this year. In total 22 were carried out by FY03 but only 16 policy interventions were tackled in FY03. WWF's targets were an oversight, especially after the budget cut of FY02 in which the USAID grant to WWF decreased by a great amount. The only policy pursued this year by WWF was a matching contribution to the USAID program with funds from Darwin Institute towards the implementation of the ICMS ecológico in the states of Mato Grosso and Pernambuco. The targets for CI were again incorrect for FY03. They do not match with the planned policy activities in the index for indicator 3.1. CI was responsible for 6 policy interventions and accomplished all of them as planned.

WHRC and IPAM made important contributions to this indicator this year. Proambiente" has been embraced by the Brazilian government as the foundation of its national policy for smallholder agriculture. The National Forest Policy is under discussion because of the work IPAM is carrying out with the Family Forests Program. And finally, IPAM's leadership role in the Brazilian climate change debate was manifested in key meetings with federal government officials, side events organized at the New Delhi COP8 meeting, participation in the recent climate change meeting in Russia, and meetings with Brazilian Senators

E. IR4: Sound land use systems disseminated beyond target areas

Indicator 4.1: *Number of persons reached and amount of environmental materials disseminated*

Performance: Targets were exceeded again this fiscal year. Dissemination is an area that grantees are putting emphasis on, especially in the past few years since the field activities are in a matured stage. Numbers could and should be rounded up for this indicator. It does not make sense to give exact figures since they are a result of approximation and estimation rather than actual figures. The USFS, the Smithsonian and the UF/Pesacre dramatically exceeded their targets, mainly because their work was featured on TV Globo reaching millions of people. The Mahogany project in Acre was filmed in August 2003 and appeared in September on a weekly technical extension television program called Globo Rural. UF exceeded its targets under dissemination due to the FLORA fair coverage in the local and national media, the increased number of publications, and coverage of Pesacre's work also in the TV Program Globo Rural. Several publications, videos, papers were produced during this fiscal year.

F. Conclusion, Problems, Challenges, and Recommendations :

The approach that USAID/Brazil partners have developed over the thirteen year is compatible with that taken by the new federal government with regard to Amazon environmental issues. It is increasingly apparent that the government's overriding concern with economic and social development has caused it to shy away from

the preservationist policies that have dominated the environmental movement's demands over much of the last decade. It seems clear that the government is not willing to sacrifice economic development for environmental preservation unless absolutely necessary. The sustainable development approach that USAID Brazil partners have evolved offers an alternative that is not only a more effective approach for addressing the problems of biodiversity conservation in the Amazon, it is also much more consistent with the prevailing policy orientation of the new government. The new administration has been requesting the assistance of several individuals and institutions that have participated along the past thirteen years in the USAID/Brazil Program in conservation and development policy discussions. Many individuals that worked in USAID grantees or subgrantees institutions or were formally trained by this program are now in key decision making positions at the federal, state and local governments. The jewels of the USAID Program are its high-level human and institution capacity. A major opportunity exists to foster even more a closer relationship with the federal government.

General problems and challenges in the data aggregation and analysis of results:

- 1) Not all grantees respected the deadline in submitting the annual reports and RTTs this fiscal year, delaying the process of data aggregation and analysis. Smithsonian did not submit its annual report. TNC submitted their RTT and annual report a week ago.
- 2) Not all grantees were responsive in clarifying questions and providing additional information related to their reports. WHRC and WWF took very long to answer questions.
- 3) Several grantees still face difficulties in calculating some of the indicators. Many of them asked help to calculate the persons/month for the training indicator. Others have not incorporated the changes made by GEOPI in calculating some of the indicators, including the ones that have ratios.
- 4) The consultant took longer in doing the data aggregation because she had to check the numbers, including many sums that were incorrect. This should not happen again. Grantees should double check all their calculations and sums before submitting the report.
- 5) Many grantees did not have clear targets for some of the indicators for this fiscal year. Targets should be revised every year when the workplan is submitted to USAID for approval. It was hard to analyze some of the results obtained this fiscal year, because the consultant did not know if they were expected or unexpected results due to the lack of targets.

Recommendations:

- 1) Numbers should be rounded up for the dissemination indicator. It does not make sense to give exact figures since they are a result of approximation and estimation rather than actual figures.
- 2) TNC works on training and policy but do not report on these indicators. In the beginning of the year when the workplan is consolidated they should set targets for these indicators, otherwise many important results will be left unreported.

6. Annex 1 – Grantees Annual Reports

7. Annex 2 – Grantees Results Tracking Tables

8. Annex 3 – GCC spreadsheets